

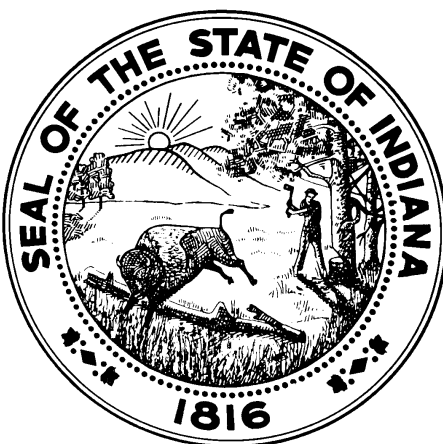
STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

EXAMINATION REPORT

OF

INDIANA ECONOMIC DEVELOPMENT FOUNDATION, INC.

July 1, 2006 to June 30, 2007



FILED
07/10/2008

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Chairman	Governor Mitchell E. Daniels, Jr.	04-11-05 to 01-11-09
President	Michael S. Maurer Nathan J. Feltman	04-11-05 to 12-31-06 01-01-07 to 01-11-09
Treasurer	Chad J. Sweeney Thomas L. Skidmore	04-11-05 to 12-12-07 12-13-07 to 01-11-09



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE INDIANA ECONOMIC DEVELOPMENT FOUNDATION, INC.

We have examined the financial information presented herein of the Indiana Economic Development Foundation, Inc., for the period of July 1 2006 to June 30, 2007. The Foundation's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the Foundation for the year ended June 30, 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

May 13, 2008

INDIANA ECONOMIC DEVELOPMENT FOUNDATION, INC.
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
As Of The Year Ended June 30, 2007

Cash and investments, July 1	\$ 648,295
Receipts:	
Corporate contributions	
Event sponsorship	424,470
Interest income	286,955
Miscellaneous	14,759
	<u>13,472</u>
Total receipts	<u>739,656</u>
Disbursements:	
Advertising and gifts	
Travel	37,386
Expense reimbursement	309,962
Professional services	34,345
Receptions, events, food	38,289
	<u>343,463</u>
Total disbursements	<u>763,445</u>
Excess of receipts over disbursements	<u>(23,789)</u>
Cash and investments, June 30	<u><u>\$ 624,506</u></u>

The accompanying notes are an integral part of the schedule.

INDIANA ECONOMIC DEVELOPMENT FOUNDATION, INC.
NOTES TO SCHEDULE

Note 1. Introduction

The Indiana Economic Development Foundation, Inc., was established under the Indiana Code 5-28-5-13 to solicit and accept private sector funding, gifts, donations, bequests, devises and contributions. The Foundation's purpose is to assist the Governor and the Economic Development Corporation in reaching their economic development goals by raising funds from the general public and nonprofit foundations and organizations.

Note 2. Fund Accounting

The Foundation uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

Indiana Code 5-13-9 authorizes the Foundation to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds.

INDIANA ECONOMIC DEVELOPMENT FOUNDATION, INC.
EXAMINATION RESULTS AND COMMENTS
June 30, 2007

INTERNAL CONTROL OVER RECEIPTS

As stated in our prior Report B29619, the computer generated receipts issued by the Indiana Economic Development Foundation, Inc., are not dated when issued. Receipt dates will support the timeliness of deposits and improve accountability of the Foundation's deposits of revenue.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for State and Quasi Agencies, Chapter 3)

INTERNAL CONTROL OVER DISBURSEMENTS

During the review of the Indiana Economic Development Foundation, Inc., claims did not contain sufficient information summarizing the purpose of payment(s) at the time of approval. This additional documentation will improve accountability of the Foundation's disbursements.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for State and Quasi Agencies, Chapter 3)

INDIANA ECONOMIC DEVELOPMENT FOUNDATION, INC.
EXIT CONFERENCE

The contents of this report were discussed on June 24, 2008, with Nathan J. Feltman, President; Thomas L. Skidmore, Treasurer; Chad J. Sweeney, former Treasurer; and Patrick Henn, Auditor. The official response has been made a part of this report and may be found on pages 8 and 9.

The contents of this report were also provided, by e-mail, on June 24, 2008, to Michael S. Mauer, former President.

Indiana Economic Development Foundation, Inc.

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www.iedc.in.gov

July 1, 2008

Mr. Bruce Hartman
Indiana State Board of Accounts
302 Washington St, Room 418
Indianapolis, Indiana 46204-2765

Re: Audit of the Indiana Economic Development Foundation, Inc.

Dear Mr. Hartman:

The Indiana Economic Development Foundation "IEDF" appreciates the detailed and proficient audit completed by the State Board of Accounts "SBOA". This letter will serve as our official response to the audit comments and address the two issues raised in the audit report.

Internal Control Over Receipts

The IEDF agrees that tracking the dates when donations are received will strengthen internal controls. Donation receipt procedures will be amended to include documenting the receipt date of donations. However we disagree that the issue is unresolved from the prior report B29619. Report B29619 stated that "The computer generated receipts issued by the Indiana Economic Development Foundation are not numbered or dated when issued. In addition, the receipts in use have not been approved by the State Board of Accounts." The IEDF added both consecutive numbering and the requested date field to the donation receipt form. The form was subsequently approved by the SBOA on August 16, 2007.

Internal Control Over Disbursements

The IEDF recognizes that adding a purpose summary to each claim will facilitate a streamlined verification process for SBOA. Beginning July 1, 2008 we will attach a statement summarizing the purpose of the expense to each invoice prior to approval.

We continually strive to improve our operational efficiencies and effectiveness. Your audit and review of the IEDF was a helpful part of this process. Thank you for your input and direction.

Sincerely,



Nathan J. Feltman
President (Current)
Indiana Economic Development Foundation, Inc.



Michael S. Maurer
President (July 1, 2006 – December 31, 2006)
Indiana Economic Development Foundation, Inc.